

# Attachment 3

June 19, 2003

Mr. Joe F. Colvin  
President and Chief Executive Officer  
Nuclear Energy Institute  
1776 I Street, NW  
Washington, D.C. 20006-3708

Dear Mr. Colvin:

On behalf of the U.S. Nuclear Regulatory Commission (NRC), I am responding to your letter of April 9, 2003, in which you requested authorization for the Nuclear Energy Institute (NEI) to have access to Safeguards Information (SGI) under the provisions of 10 CFR Part 73. You stated in your letter that NEI needs the authorization to continue helping NRC licensees develop generic responses to various Commission security initiatives. You further stated that NEI's current authorization for access to SGI is pursuant to a temporary arrangement with a licensee until the NRC provides NEI with direct access to SGI.

Pursuant to 10 CFR 73.21(c)(1), the Commission has concluded that, for purposes of efficiently and expeditiously obtaining industry-wide comments on Commission policy issues involving nuclear facility and materials security, particular NEI employees, agents, or contractors have a "need to know" certain information designated by the Commission as SGI. Granting NEI employees, agents, or contractors access to SGI will enable the Commission to more efficiently and effectively understand and benefit from licensees' experience in addressing current security requirements and licensees' ability to address proposed security requirements.

As you know, the NRC does not grant blanket authority to an organization for all its employees to have access to SGI. Rather, consistent with 10 CFR 73.21(c)(1), the Commission limits access to SGI to persons who have an established need-to-know the information. Accordingly, NEI must identify those individuals who have a need-to-know and who are determined to be trustworthy and reliable. Those NEI individuals who have been cleared for access to SGI under the temporary arrangement, based on criminal history checks in accordance with 10 CFR 73.57, are still authorized to have access to SGI, provided they still have a need-to-know. Any additional individuals whom NEI would like to be granted access to SGI must undergo a criminal history check in accordance with 10 CFR 73.57. Please note that this Commission authorization for NEI employees, agents, or contractors access to SGI, is contingent upon, 1) submission of a description of an acceptable information protection system (i.e., NEI's procedures and controls for the protection of SGI in accordance with 10 CFR 73.21); and 2) an NRC review and finding that your information protection system is acceptable.

You indicated in your letter that NEI was prepared to implement the necessary access authorization program as soon as authorization is received from the NRC. Please contact J. Keith Everly of the Office of Nuclear Security and Incident Response at (301) 415-7048 about your program and any questions you may have about this matter.

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We look forward to working with you in our continuing efforts to ensure the security of nuclear facilities and materials.

Sincerely,

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Nils J. Diaz